

TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE



**FISCAL NOTE**

**SB 2267 - HB 2498**

March 5, 2020

**SUMMARY OF BILL:** Creates the *Recovery Program for Pregnant Women and Women with Newborns Act*. Requires the Department of Mental Health and Substance Abuse Services (DMHSAS) to establish a recovery program for pregnant women or women with newborns to assist them by providing substance use disorder treatment in residential care facilities and through home visitation services.

Requires the DMHSAS to actively seek and apply for any available federal or private funds to support the program. In addition to any other funding sources, public or private, the DMHSAS, in coordination with the Department of Human Services (DHS), shall use no less than \$50,000,000 annually in Temporary Assistance to Needy Families (TANF) funds, or any successor program providing temporary assistance, to support the program if such amount in funds is available to the state.

Directs the DMHSAS to submit an annual report by January 1 each year on the success of the program, as well as any recommendations for improving the program, to the Chairs of the Health and Welfare Committee of the Senate and the Health Committee of the House of Representatives.

**ESTIMATED FISCAL IMPACT:**

**Increase State Revenue –**

**Exceeds \$50,000,000/FY20-21 and Subsequent Years/  
Department of Mental Health and Substance Abuse Services**

**Increase State Expenditures - \$249,600/FY20-21 and Subsequent Years/**

**Department of Mental Health and Substance Abuse Services**

**Other Fiscal Impact –** Passage of the proposed legislation will result in a recurring increase federal Temporary Assistance for Needy Families (TANF) expenditures for the Department of Human Services (DHS) by an amount exceeding \$50,000,000 beginning in FY20-21; however, these expenditures can be absorbed within the DHS's existing TANF block grant. It is unknown if additional funding from federal or private sources is available or the timing of such funds being received.

Assumptions:

- The DMHSAS cannot accommodate the proposed legislation within existing resources. The DMHSAS will require one Program Director, one Program Manager 2, one Program Specialist, and one Nurse Practitioner to administer the program.
- The recurring increase in state expenditures associated with the additional positions is estimated to be \$249,595 (\$191,520 salaries + \$58,075 benefits) in FY20-21 and subsequent years.
- The proposed legislation requires the DMHSAS to actively seek and apply for any available federal or private funds to support the program and to use no less than \$50,000,000 annually in TANF funds to support the program if such amount is available to the state.
- According to a memo prepared for the Joint TANF Working Group by the Comptroller of the Treasury on December 17, 2019, the recurring annual amount the state receives from the federal government per the TANF block grant is approximately \$191,000,000. Additionally, DHS has the authority to draw from TANF reserve funds, the balance of which is currently estimated to be approximately \$732,000,000.
- There will be a recurring increase in federal TANF expenditures to the DHS exceeding \$50,000,000 in FY20-21 and subsequent years.
- Based on information provided by the DHS, federal guidelines prohibit the use of TANF funds for medical services. However, some of the wrap-around services such as counseling, life skills classes, and parenting skills classes will be allowed.
- The recurring increase in state revenue to DMHSAS is estimated to exceed \$50,000,000 in FY20-21 and subsequent years.

**CERTIFICATION:**

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink that reads "Krista Lee Carsner". The signature is written in a cursive, flowing style.

Krista Lee Carsner, Executive Director

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